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# FEDERAL ENERGY REGULATORY COMMISSION

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WASHINGTON, D.C. 20426

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## NEWS RELEASE

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### FOR IMMEDIATE RELEASE

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Docket No. RM99-5-000

### **COMMISSION PROPOSES UNIFORM, LIGHT-HANDED REGULATORY REGIME FOR OPERATORS OF OFFSHORE NATURAL GAS FACILITIES**

The Federal Energy Regulatory Commission today proposed to move to a single set of regulatory requirements for virtually all natural gas pipeline operators on the outer continental shelf (OCS).

The Commission currently exercises authority over offshore gas service providers under several statutes: the Natural Gas Act (NGA), the Outer Continental Shelf Lands Act (OCSLA), and the Natural Gas Policy Act (NGPA).

The Notice of Proposed Rulemaking (NOPR) requests comments on whether these multiple, overlapping regulatory regimes compliment one another or may be a cause of inefficient competitive inequities. By proposing to move to a single set of uniform reporting requirements, with exemptions where appropriate, distortions in the offshore marketplace due to disparate regulatory regimes will be greatly reduced.

When the NGA was passed in 1938, offshore natural gas production was negligible. In 1953, Congress enacted the OCSLA to promote greater offshore production, and to provide federal oversight. Currently, the Gulf of Mexico accounts for approximately 26 percent of domestic annual natural gas production, and is becoming increasingly important to the energy security of the United States. New technology has contributed to this increase in production, and over 30 percent of the active offshore pipelines have been constructed over the past nine years, thus ensuring that this natural gas will be brought to market.

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After an extensive review of its policies and of comments submitted to its 1998 Notice of Inquiry, the Commission identified the key concern among offshore natural gas shippers--they wanted continued protection from potentially unduly discriminatory practices.

The NOPR proposes that all operators of offshore facilities provide access to information regarding their affiliation, rates, terms and conditions of service under which natural gas transportation is rendered. If adopted, the Commission's proposal would result in a complaint-driven regulatory system for all OCS facilities based on the OCSLA, and light-handed regulation.

Comments on the proposed rule are due within 45 days after publication in the Federal Register and should be submitted to the Office of the Secretary, FERC, 888 First Street, N.E., Washington, DC 20426.

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